GOVERNMENT OF INDIA
NEW AND RENEWABLE ENERGY
LOK SABHA

UNSTARRED QUESTION NO:816
ANSWERED ON:20.07.2017
Sops to Local Solar Firms
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Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

(a) whether the demand of local solar firms for more sops has not been accepted by the Government;

(b) if so, the details thereof and the reasons therefor; and

(c) the details of existing supports being extended by the Government to solar firms/manufacturers of the country to encourage them and to discourage imports?

Answer

THE MINISTER OF STATE FOR POWER, COAL, NEW & RENEWABLE ENERGY AND MINES (INDEPENDENT CHARGE) (SHRI PIYUSH GOYAL)

(a) & (b): The Government has increased its support to local solar firms by way of increased budgetary allocation to Modified Special Incentive Package (M-SIPS) Scheme, in the current financial year 2017-18.

(c): Solar firms of the country are being supported by the Government of India through Special Incentive Package Scheme (SIPS)/ Modified Special Incentive Package Scheme (M-SIPS). The scheme, inter alia, provides for:
i. 20-25% subsidy for investments in capital expenditure for setting up of electronic manufacturing facility.
ii. Reimbursement of countervailing Duty (CVD)/ Excise Duty for capital equipment for the units outside Special Economic Zone (SEZ).
The incentives are available for several categories of electronic products and product components including Solar Photovoltaic (SPV) (Polysilicon, Ingots and/ or Wafers, Cells, Modules/Panels). Units across the value chain starting from raw materials to assembly, testing, and packaging of these product categories are included.

In addition, the solar power projects being implemented by the Central Public Sector Undertakings (CPSUs) and those rooftop solar projects implemented with central financial assistance are mandated to source their requirement from domestic sources.

The development of solar power in the country is taking place with indigenous as well as imported solar equipment and components. Currently, India does not have enough manufacturing capacity for solar cells and modules to cover full demand. Therefore imports of cells and modules is taking place. The situation may change in future.

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